



MEMORANDUM

TO: Trustees

FROM: Rob Poirier, Board Chair **BOARD ACTION REQUIRED**

DATE: May 15, 2026

SUBJECT: Rescind CMHF Permanent Supportive Housing Funding for Peter & Paul Community Services and Approve Emergency Gap Funding Request

The attached resolution, if approved, will rescind the 10-year \$500,000.00 permanent supportive housing (PSH) forgivable loan to Peter & Paul Community Services (PPCS) awarded in October 2025. Additionally, the resolution will also approve a one-year emergency gap funding request to PPCS in the amount of \$307,000.00 for an existing campus transitional housing living program that serves 100 individuals with intellectual and development disabilities who also have co-occurring mental health and/or substance use conditions, and their families.

FY26 PERMANENT SUPPORTIVE HOUSING AWARD TO BE RESCINDED

At its October 16, 2025 meeting, Trustees approved a 10-year forgivable loan to PPCS in the amount of \$500,000.00 from the Community Mental Health Permanent Supportive Housing Fund. The PSH award would allow PPCS to renovate 34 rooms on the second and eighth floors of the Community Campus Tower into studio apartments with kitchenettes. Initially, PPCS planned for tenancy within 6 – 8 months following the start of renovation.

CAMPUS TRANSITIONAL LIVING PROGRAM EMERGENCY GAP FUNDING REQUEST

The Campus Transitional Living Program (CTLP) is one of the region's only transitional housing programs designed specifically for individuals and families with developmental disabilities and significant functional limitations related to untreated or undertreated mental health conditions. In its first nine months, CTLP assessed 75 households, enrolled 39, referred 36 to essential services, and helped 13 secure permanent housing. More than 90% increased income or benefits, 0% returned to homelessness, and all maintained stability through intensive case management and on-site supports.

Currently, the demand exceeds existing capacity. Based on referrals from emergency shelters, CTLP could double in size and still have eligible households waiting—particularly individuals with developmental disabilities who also face chronic mental health challenges, trauma histories, and long-term instability

Critical Federal Funding Gap Threatens Program Stability

CTLP was built with the expectation of U.S. Dept. of Housing and Urban Development (HUD) Continuum of Care (CoC) funding. HUD initially signaled strong interest in the model and planned a \$16 million Notice of Funding Opportunity (NOFO) for St. Louis in 2025. However, the NOFO was delayed for eight months and ultimately released without allowing new programs to apply. A federal court has since ordered HUD to open the 2026 NOFO on time and include new programs, positioning CTLP for long-term sustainability beginning in 2027.

The issue with HUD funding has created a one-year gap that places the entire CLTP program at risk. Without support from the St. Louis Mental Health Board, CTLP will be forced to shut down, and more than 100 individuals/households with developmental disabilities and mental health needs will lose access to safe housing, stabilization services, and the supports required to become self-sustaining. The ripple effects would be immediate—higher shelter utilization, increased psychiatric crises, and greater strain on emergency and behavioral health systems.

To prevent this loss, PPCS, Horizon Housing Development Company (HHDC), and Gateway 180 (G180) have redesigned CTLP to dramatically reduce costs while maintaining high-quality services. Through program restructuring, staffing efficiencies, in-kind contributions, private donor support, and a pending \$307,000 gap funding grant from the St. Louis Office for Developmental Disability Resources, the program will only require \$307,000 of its original \$767,900 budget to continue. This request reflects only the essential funding needed to keep the program operating until HUD funding becomes available.

Program Model and Services

CTLP provides 30 units of secure transitional housing on two dedicated floors of the PPCS Community Campus. Each unit includes a private room and bathroom, with shared amenities and 24/7 security. Residents receive a comprehensive suite of supports that stabilize mental health, build independence, and reduce crisis episodes:

- 24/7 security and floor monitoring
- Three meals daily
- On-site medical clinic (Novus Health)
- Case management from HHDC
- Behavioral health coordination
- Employment and income support
- Monthly supplies, donated clothing, and volunteer-led activities
- Access to BJC, Paraquad, Adapt, SLATE, Vocational Rehabilitation, and other partners

Emergency gap funding from MHB would prevent the loss of housing and essential services for more than 100 individuals/households and ensure the program remains positioned for long-term HUD funding in 2027 and beyond.

RECOMMENDATION

The Executive Committee and two representative of MHB's Housing Committee, Chair Brian Phillips and long-time Housing Committee member and former MHB Board Chair Phil Minden, met virtually on May 4 at 4:00 PM for a Special Executive Committee Meeting. The executives from Peter & Paul Community Services and Horizon Housing Development Company were invited to join a portion of the meeting to answer the Executive Committee's questions regarding the emergency gap funding request.

The Executive Committee recommends rescinding Peter & Paul Community Services' FY26 \$500,000 PSH award (currently unused) and repurposing \$307,000 of the rescinded award to fund the Community Transitional Living Program's one-year emergency gap funding request (July 1, 2026 – June 30, 2027).

CITY OF SAINT LOUIS MENTAL HEALTH BOARD OF TRUSTEES

AUTHORIZE RESCISSION OF PERMANENT SUPPORTIVE HOUSING 10-YEAR FORGIVABLE LOAN FROM THE COMMUNITY MENTAL HEALTH FUND AND APPROVE ONE-YEAR EMERGENCY GAP FUNDING REQUEST FOR COMMUNITY TRANSITIONAL LIVING PROGRAM

RESOLUTION

WHEREAS, the City of St. Louis, Missouri has levied taxes pursuant to the laws of the State of Missouri Sections 205.975 – 205.990 RSMo. to fund the Community Mental Health Fund and the Board is entrusted with administering this fund; and

WHEREAS, this Board is desirous to implement its responsibilities to ensure high quality-behavioral health services for adults ages 18 and older residing in the City of St. Louis; and

WHEREAS, MHB has determined that there is a shortage of safe, sanitary housing for persons with serious behavioral health conditions has established a Supportive Housing Fund to expand access to housing and to assist organizations to develop properties for the intended purposes set forth by the Fund; and

WHEREAS, Trustees awarded Peter & Paul Community Services a 10-year \$500,000.00 forgivable loan at their October 16, 2025 meeting to create 34 permanent supportive housing studio apartments on two floors of its Campus Tower Building; and

WHEREAS, Peter & Paul Community Services is experiencing a 12-month funding gap for their current 30-unit Community Transitional Living (CLT) program that serves individuals with developmental disabilities and co-occurring behavioral health conditions, due to HUD CoC funding changes and related litigation affecting funding availability; and

WHEREAS, Peter & Paul Community Services together with Horizon Housing Development Company have requested \$307,000.00 in emergency gap funding to prevent the loss of housing and essential services for more than 100 individuals/households residing in the CLT program and to enable the program to remain positioned for long-term HUD funding in 2027 and beyond; and

WHEREAS, MHB’s Executive Committee and two MHB Housing Committee representatives met and thoroughly reviewed the emergency gap funding request and recommend rescinding the \$500,000.00 Community Mental Health Fund Permanent Supportive Housing award approved October 2025 in order to provide \$307,000.00 for the Community Transitional Living program emergency gap funding request.

NOW THEREFORE BE IT RESOLVED:

The Board Chair and Executive Director are authorized to negotiate, with assistance from MHB’s General Counsel, an agreement with Peter & Paul Community Services for emergency gap funding of up to \$307,000.00 from the Community Mental Health Fund Permanent Supportive Housing Initiative for the period July 1, 2026 – June 30, 2027.

APPROVED THIS 21ST DAY OF MAY 2026

Board Chair/Officer Name (printed):	Signature:
-------------------------------------	------------

ATTEST:

Board Officer Name (printed):	Signature:
-------------------------------	------------